

Executive Registry
3-6057

28 August 1956

MEMORANDUM FOR: Chief, International Organizations Division

SUBJECT: Section 401 of the Mutual Security Act


1. I discussed this with Mr. Leonard Saccio, General Counsel of ICA, and his assistant, Mr. John Burnett. Burnett has made a specific review of the statute and its legislative history, and it is his conclusion that this act does not provide authority for grants to private organizations. He hedges by saying that the statute does not completely prohibit grants to private organizations, but the legislative history seems to make such grants out of the question.

2. The legislative history runs somewhat as follows. Both Senators Dirksen and Douglas offered amendments to Section 401. The Douglas amendment was general and provided a transfer of \$20,000,000 of ICA funds for the purposes under the amendment. The Dirksen amendment was specific and provided \$5,000,000 additional authority for the purposes in the Section. When the act went to Senate-House Conference, it was agreed to add an amendment to Section 401 using most of the specific language of Senator Dirksen. It is felt that this was done primarily because Secretary Dulles sent a letter to Dirksen saying he favored the Dirksen amendment. According to Mr. Burnett, Secretary Dulles sent this letter after a conversation with his brother. The Dirksen language specifically provided for "grants to private organizations." In Conference, that language was expressly stricken. However, the remainder of the Dirksen language was kept, i.e., "funds available under this section may be used for programs of information, relief, exchange of persons, education and resettlement, to encourage the hopes and aspirations of peoples who have been enslaved by Communism."

3. According to Mr. Burnett, the Senate representatives in the Conference were opposed to the inclusion of grants to private organizations. Since neither Senator Dirksen nor Senator Douglas are on the Senate Foreign Relations Committee, the matter

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was not pursued further. It is the opinion of the ICA lawyer that in view of the foregoing legislative history, it would not be feasible nor appropriate to attempt to transfer ICA funds under this title to private organizations.


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cc: Mr. Norman Paul/
Legislative Counsel